

DM SCOPE OF WORK

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**“DEFINITIONAL MISSION” FOR ADVISORY AND ASSISTANCE SERVICES BY
NON-GOVERNMENTAL SOURCES FOR EGYPT AND LEBANON**

EGYPT AND LEBANON: PORT SECTOR DEFINITIONAL MISSION

1 SCOPE OF WORK

The U.S. Trade and Development Agency (“USTDA”) requires services under this non-personal services Contract to support or improve its decision-making relative to the funding of projects and activities in developing and middle income countries. The Contractor shall provide a report to USTDA, which will:

1.2 assess and justify whether or not USTDA should provide funding for the proposed study, technical assistance or other trade capacity building activity(ies) herein after referred to as “study(ies)”;

1.3 assess any alternative study or activities which the Contractor sees as viable options for USTDA consideration; and

1.4 provide supporting analysis and recommendations on the above information in a final report that analyzes all the relevant issues.

2 DELIVERY & PERFORMANCE REQUIREMENTS

2.1 KICK-OFF MEETING WITH THE USTDA PROGRAM OFFICE

Upon award, the Contractor shall contact USTDA’s Contracting Officer’s Technical Representative to schedule a meeting to discuss details of the Contract assignment. Unless otherwise advised by the COTR, this meeting will be held at USTDA’s office in Arlington, Virginia. The COTR shall provide the Contractor with names and addresses of the project sponsor(s), other pertinent entities to contact in the United States and overseas, and any other relevant details that may impact upon the design and/or evaluation of the proposed project(s).

2.2 PRE-VISIT REPORT (3-5 PAGES)

Prior to departure to the host countries, the Contractor shall provide the COTR a pre-visit written report containing the proposed schedule or itinerary, preliminary strategies or findings on viability of the project(s), financing options, U.S. company interest in the project (s), a list of contacts to be made during the visit and a pre-visit checklist of issues, information and questions to be utilized during the visit.

2.3 USTDA RESPONSIBILITY

USTDA will advise the U.S. Embassy in the host countries of the Contractor's proposed travel itinerary prior to departure and request that the Commercial Section of the Embassy provide the Contractor with names and addresses of appropriate host country officials with whom to meet.

2.4 CONTRACTOR'S HOST COUNTRY TRAVEL

The Contractor shall travel to the host countries to meet with relevant project officials and with the U.S. Embassy. The Contractor shall contact the Commercial Section at the U.S. Embassy in each country upon arrival and prior to departure for briefing and debriefing meetings. While the Embassies may be able to assist the Contractor in arranging some initial meetings with host country officials, the Contractor is responsible for arranging the meetings as well as logistics for the visit, i.e., flight arrangements, hotel accommodations, transportation, and interpretation services. In some cases, the Contractor may need to Contract with a local entity to assist with these logistics. Local entities may not provide the technical work of substance for the creation of the DM report.

2.5 CONTRACTOR MEANINGFUL DISCUSSIONS

The Contractor shall hold meaningful discussions with appropriate contacts to determine and gauge the interest of potential project financiers and potential U.S. suppliers and assess whether the proposed projects are economically, financially, and technically viable. The Contractor shall analyze the potential procurement of U.S. goods and services for project implementation by categories and dollar values. The analysis shall include an assessment of each project's risks and financial viability, the priority of each project and political/social/organizational support it has, potential sources of financing, and the capability and experience of the project sponsors. The analysis shall also include an assessment of the social and economic development impacts of the proposed projects.

2.6 USTDA REPORT OBJECTIVES

If the Contractor recommends that USTDA fund the studies in a phased approach, and/or if any outstanding issues should be resolved or conditions met before funding is approved, those phases, issues and/or conditions should be clearly explained in the recommendation.

2.6.1 The Contractor shall provide a final report to the USTDA, which will:

2.6.1.1 assess and justify whether or not USTDA should provide funding for studies of the proposed projects;

2.6.1.2 assess any alternative or other activities which the Contractor sees as viable options for USTDA consideration; and

2.6.1.3 provide recommendations on the above information in a final report that analyzes all relevant issues

2.6.2 Contractor recommendations shall be based upon USTDA funding criteria, which are that the project must:

2.6.2.1 be likely to receive implementation financing, and in addition, have a procurement process that provides “equal access” to U.S. firms;

2.6.2.2 represent an opportunity for sales of U.S. goods and services that is many times greater than the initial investment of USTDA assistance;

2.6.2.3 be a development priority of the project sponsor and country where the project is located and have the endorsement of the U.S. Embassy in that nation; and

2.6.2.4 involve U.S. companies that are facing market entry problems and/or strong competition from foreign companies, which often receive subsidies, and other support from their governments.

3 DEFINITIONAL MISSION FINAL REPORT

3.1 EXECUTIVE SUMMARY (1-2 PAGES)

The Contractor shall submit an executive summary of the report’s findings and recommendations.

3.2 PROJECT DESCRIPTION (3-5 PAGES)

The Contractor shall submit a description and history of each project, including, among other things, host country and/or other project sponsors, sector, project location, source of raw materials, infrastructure requirements, proposed technological approach, legal and regulatory framework (licenses, permits, etc.), implementation schedule, economic fundamentals (estimated capital cost, operating costs, expected revenues, etc), and any other key variables or issues that the Contractor deems critical as part of a thorough activity/project evaluation.

3.3 PROJECT SPONSOR'S CAPABILITIES AND COMMITMENT (1-2 PAGES)

The Contractor shall submit a description of the host country project sponsor(s) business/government operations or authority and an assessment of the project sponsor's commitment and ability to implement the project. This should include a description of the project sponsor's previous commitments, business activities or government mandate.

3.4 IMPLEMENTATION FINANCING (2-4 PAGES)

The Contractor shall submit a review of the financing options for each project implementation, including an assessment of the overall cost estimate of the projects and, for projects involving potential U.S. equity investment, the project's proposed debt-equity structure to ensure that it corresponds to the requirements of the prospective lenders (this aspect is critical to USTDA's decision making). As part of this review, the Contractor is required to contact officials from the potential financing institutions, including, where appropriate, multilateral lending institutions, Ex-Im Bank, OPIC, and private/commercial sources, to assure that the project sponsors have adequately explored their financing options. The Contractor shall provide names and phone numbers of contacts at the potential lending institutions and summarize their comments. The Contractor must determine the most likely source(s) of implementation financing and ensure that the terms of reference for any proposed study fulfill the requirements of the most likely source(s), or suggest appropriate revisions to ensure that they do.

3.5 U.S. EXPORT POTENTIAL (1-2 PAGES)

The Contractor shall submit a best estimate of potential procurement of U.S. goods and services for each project's implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be imported for the project and an illustrative list of potential U.S. suppliers of the goods and services for those goods and services listed as likely U.S. exports. A report of discussions with a reasonable number of U.S. companies that could be exporters, and their level of interest in the project, should also be included.

3.6 FOREIGN COMPETITION AND MARKET ENTRY ISSUES (1-2 PAGES)

The Contractor shall discuss the foreign competition for goods and services likely to be procured for project implementation by category, including a discussion of U.S. industry competitiveness in each category, taking into account geographic factors, local industry capabilities, technology and licensee issues, past procurement tendencies of the project sponsor, and how the procurement is likely to be conducted. The contractor shall discuss the extent to which market entry issues impede trade and how the project will help overcome these obstacles.

3.7

DEVELOPMENTAL IMPACT (2-3 PAGES)

The Contractor shall submit an assessment of the development impact of the project (s) on the host country. In this section, the Contractor shall discuss two aspects of “developmental impact”.

3.7.1 Primary Developmental Benefits - The Contractor shall discuss the most important benefits that the project(s) will provide to the host country. Items of primary interest to USTDA include: Infrastructure (including any positive environmental impacts); Human Capacity Building (including jobs and training); Technology Transfer and Productivity Improvements; and Market-Oriented Reforms. Other host country economic development benefits such as financial revenue enhancements, increased good governance and others should also be mentioned where appropriate (For more detail see the Guidance on USTDA Development Impact Measures at www.ustda.gov/resources)

3.7.2 Alternatives - Are there competing ways to achieve host country objectives? At the Definitional Mission stage, it will not be possible to address these questions definitively, but the DM Contractor, at a minimum, shall define and comment on the broad alternatives available to the host country project sponsor.

3.8

IMPACT ON THE ENVIRONMENT (1-2 PAGES)

The Contractor shall submit a statement regarding the likely consequences the proposed project(s) may have on the environment and ensure that the terms of reference for the study include, at a minimum, a preliminary review of the project’s impact on the environment, with reference to local environmental requirements and those of potential lending agencies. The study should identify potential negative impacts and discuss the extent to which they can be minimized.

3.9

IMPACT ON U.S. LABOR (1-2 PAGES)

The Contractor shall submit an assessment of the impact of the project(s) on U.S. labor, addressing the legislative prohibitions on the use of Foreign Assistance Funds described in Annex I.

3.10

QUALIFICATIONS (1-2 PAGES)

The Contractor shall submit the study team qualifications required to conduct the study(ies) and the evaluation criteria to be used by the Project Sponsor in cases of completed study(ies).

3.11 JUSTIFICATION (1-2 PAGES)

The Contractor shall provide an explanation of why USTDA's grant funding is needed.

3.12 TERMS OF REFERENCE (1-5 Pages)

The DM Contractor shall provide Terms of Reference (TOR) for the study(ies). The TOR, which must be endorsed by the project sponsor, shall include, at a minimum, the following:

3.12.1 Purpose and objective of the study. This section should contain a concise statement.

3.12.2 A technical assessment. This section should include relevant background information that is pertinent to the technology selection.

3.12.3 An economic analysis of the project. This section will usually include a cash flow analysis, attention to market conditions, raw material availability, supply agreements, off-take agreements, and competing alternative methods of achieving the same or similar project objectives.

3.12.4 A financial analysis of the project. This section should consider the availability of equity and debt financing as well as the views of potential public and private financing organizations, such as the World Bank, relevant regional multilateral development bank(s), Ex-Im and OPIC.

3.12.5 An appropriate environmental analysis of the project. A preliminary review of the project's anticipated impact on the environment with reference to local requirements and those of multilateral lending agencies (such as the World Bank). This review would identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the project sponsor subsequent to the study's completion and prior to project implementation.

3.12.6 A review of regulatory issues related to the project. This should include a discussion of any regulations that would impact the projects viability or prognosis to move forward.

3.12.7 An analysis of key host country development impacts.
(Infrastructure, Human Capacity Building, Technology Transfer and

Productivity Improvement and/or Market-Oriented Reform). These Development Impact factors are intended to provide the project's decision-makers and interested parties with a broader view of the project's potential effects on the Host Country.

The analysis shall focus on what Development Impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects.

Accordingly, the analysis shall be an assessment of each of the following categories with respect to the project's potential Development Impact:

(1) Infrastructure: Provide a statement on the infrastructure impact, giving a brief synopsis. For example, "The project would result in the construction of a power plant that would provide 500MW of power. This plant would serve ____ [number] additional households in ____ [area]."

(2) Market- Oriented Reform: Provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

(3) Human Capacity Building: Assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would receive training; describe such potential training program.

(4) Technology Transfer and Productivity Enhancement: Provide a description of any advanced technologies that would be utilized as a result of the project. A description of any efficiency that would be gained (e.g. "By upgrading the power plant's old boilers, efficiency will be increased from x% to y%").

(5) Other: Describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects, safer workplace, increased good governance or improved financial revenue flows to the Host Country.

For specific information regarding USTDA's Development Impact goals and measures, please contact the COTR at USTDA, or see the Guidance on USTDA Development Impact Measures at www.ustda.gov/resources.

3.12.8 U.S. sources of supply. While aiming at optimum specifications and characteristics for the project, there shall be an assessment of the availability of potential U.S. sources of supply. Business name, point of contact, address, telephone, e-mail, and fax numbers shall be included for each source.

3.12.9 An implementation plan (anticipated next steps necessary to implement the project), and

3.12.10 Final Report. The FS/TA Contractor shall prepare and provide to the Grantee and to USTDA a Final Report in accordance with Clause __ of Annex II of the Grant Agreement. Each of the above tasks in this Terms of Reference must be distinctly set forth in the Final Report in a substantive and comprehensive manner, and shall include all corresponding deliverables. The Final Report shall contain an executive summary. In addition to any other required deliverables in accordance with Clause ____ of Annex II of the Grant Agreement, the Contractor will provide both the Grantee and USTDA with 6 copies (each) of the final report on CD-ROM. The CD-ROM version of the final report will include:

- Adobe Acrobat readable copies of all documents;
- Source files for all drawings in AutoCAD or Visio format; and
- Source files for all documents in MS Office 2000 or later formats.

The TOR must be designed to meet the requirements of the most likely source(s) of implementation financing. The requirements of some of the potential financing sources may be found at the following web sites:

www.opic.gov/finance.home.html

www.exim.gov/tools.index.html

www.ifc.org/proserv

www.adb.org/PrivateSector/finance/default.asp

www.ebrd.com/applyindex.html

www.iadb.org

www.afdb.org/opportunities/business_generic_proc_notices_country.htm

3.13 STUDY BUDGET (2-3 PAGES)

3.13.1 Study Budget Format

The DM Contractor shall provide a detailed budget that is divided into three parts: a line item budget and task breakdown (Annex III), a Task Completion Schedule (Annex IV), and a budget narrative (Annex V). All costs in the budget should be reasonable and allocable to the work being performed, and should support the study TOR. The budget should be supported with sufficient detail to enable USTDA staff or others reviewing the material to understand completely, not only the budgeted

amounts, but also the methodology that justifies the budget amounts. The budget should be provided in accordance with the format in Annex III and should include:

- Labor, budgeted by position title and task for each of the positions on the study team. Positions should be identifiable, with descriptions of the positions and proposed team members included in the proposal. Person-Days should reflect the proposed number of days of work effort proposed for each position for each task. The labor cost shall be derived as set forth in Annex III. The proposed budget may not include fee or profit.
- Itemization for per diem, transportation, communications, purchased services/contracts, translation of Final Report, and other direct costs. Per diem must be based on U.S. Government rates, which are available on the State Department web site (<http://www.state.gov/m/a/als/prdm/>).

The Task Completion Schedule should list each major task to be performed in support of the study TOR. The duration of each task is to be graphically presented in a bar chart as illustrated in Annex IV.

The budget narrative should provide a detailed budget explanation and justification presenting how all costs have been derived in accordance with the sample provided in Annex V. The narrative must include an explanation for every line item. In general, each narrative statement should describe, in as much detail as possible:

- What the specific item is
- How the specific item relates to the project
- How the amount shown in the budget was arithmetically determined

3.14 RECOMMENDATIONS (1-2 PAGES)

The Contractor shall provide recommendations as to:

3.14.1 whether or not the project meets USTDA's basic funding criteria;

3.14.2 the appropriate TOR for the proposed study;

3.14.3 the appropriate budget for the proposed study.

3.14.4 If the recommendation is that USTDA should fund the study, but in a phased approach or only if certain outstanding issues are resolved or conditions met, those phases or conditions should be delineated clearly in the recommendation.

3.15 CONTACTS

The Contractor shall submit a list of individuals contacted during the DM, with their addresses, phone and fax numbers, and e-mail addresses.

4 CONTRACTOR INTERIM STATUS REPORTING AND DELIVERABLES

The Contractor shall provide verbal updates to the COTR when necessary. The deliverables may also take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, interim and final reports, or other oral or written work products needed for successful performance.

5 CONTRACTOR -- DEFINITIONAL MISSION REPORTS

The Contractor shall prepare a report to USTDA that addresses all the issues in the Definitional Mission requirements as outlined in Section 3.1 through 3.15. Since this report will be available for public distribution, any sensitive or business proprietary information shall be included in a separate confidential attachment to the report.

5.1 REPORT DRAFT -- COTR APPROVAL

The Contractor shall provide the report in draft form to USTDA for COTR review within ten (10) working days after completion of the overseas visit. The report should be clearly marked "Draft" on the cover.

5.2 REVISED REPORT DRAFT - COTR APPROVAL

Within five (5) working days after receiving the COTR's comments on the draft report, the Contractor shall submit a revised copy for COTR review. The Contractor shall revise the report as necessary until securing final COTR approval.

5.3 FINAL REPORT - COTR APPROVAL

The final report shall incorporate all mutually agreed upon material and revisions. The report shall include any supporting documentation. It shall be grammatically and factually correct in all respects, internally consistent, and all statements and tables shall be clear and easily understood by a competent reader, and contain no typographical errors. Upon notification from the COTR that the report is considered acceptable, the Contractor shall submit twenty (20) copies, and one (1) unbound original to USTDA. All reports must be paginated and submitted in Microsoft Word on a 3.5-inch disk or on a CD-Rom. The Contractor shall also submit the report to the COTR as an e-mail attachment, and also in Microsoft Word format.

6 PROJECT DESCRIPTIONS AND PROFILE

During Regional Director Kress' and Country Manager Afas' recent business development trip to the Middle East in November 2005, they met with officials from the

Port of Beirut Authority (PBA), SOLIDERE, a private Lebanese firm, the Egyptian Ministry of Foreign Trade and Industry (MoFTI), and the Egyptian Ministry of Transport (MoT) to discuss potential USTDA support for various activities.

PBA requested USTDA funding for a feasibility study on the development of container facilities and a cruise liner terminal at the Port of Beirut. Because this proposed project would directly impact a previous USTDA-funded feasibility study (FS), SOLIDERE, the Grantee, has requested a revision to the FS's Terms of Reference to account for this recent development. Additionally, MoFTI and MoT requested USTDA assistance for a container security and supply chain logistics feasibility study and pilot at the Port of Alexandria in Egypt to assist the port in meeting international and U.S. security requirements and improving trade efficiency.

The Definitional Mission Contractor will also review a request from the Beirut Container Terminal Consortium (BCTC) for a feasibility study on a port security and trade logistics project. The practical concept view for this Project, is to gather the Lebanese/BCTC trade, security and organizational conditions now existent, and systematically form them into the most advanced of integrated trade/security port complexes in the region. The Project will facilitate the flow of cargo from Lebanon directly into the U.S. logistics system, benefiting the Lebanese economy via increased trade and additional employment opportunities. BCTC has provided a preliminary TOR and budget for this study, which the Definitional Mission Contractor will analyze and evaluate. If the Study is recommended for USTDA's funding consideration, the Definitional Mission contractor shall revise the TOR and budget as per the guidelines set forth above in order to meet USTDA's objectives and funding criteria.

Egypt

In 2002 U.S. Customs & Border Protection (CBP), instituted the Container Security Initiative (CSI) program to address security issues within the vast network of supply chains, including free flowing container cargoes, either entering or transiting the United States. CSI is now in place in more than forty of the world's largest container ports, which send millions of containers to the United States each year. In each of these CSI ports, CBP has 4-5 officers working with their counterparts to intelligently utilize all assets and available resources to target high-risk containers, and when necessary, scan or open these units at the foreign port before loading to vessels headed to the United States. Coupled with the new U.S. Customs requirement for 24-hour advance manifest filing, CSI enables CBP to intercept suspicious cargoes and examine them prior to leaving the foreign port of export to the United States. The Government of Egypt (GOE) seeks to utilize its own resources to upgrade security at the Port of Alexandria in order to attain certification of CSI compliance.

The Port of Alexandria is a significant transshipment relay port, picking up and re-routing containers to the United States from what can generally be described as high risk source regions. In addition to the difficulty of ensuring the security of shipments originated at the port, Egyptian exporters suffer when their commercial cargo

containers are regularly held or delayed at U.S. entry ports because of the lack of any known security procedures at the exporting port. This adds both time and cost to the trader, and/or to the U.S. buyer and consumer. These two realities have motivated the GOE to seek its own cooperative solutions, to both respond to the U.S. Government's demands for secure imports, and to enhance and speed the flow of their exports.

The proposed container security and supply chain logistics project (Project) is intended to ensure a significant increase in the level of security for the containers from the Port of Alexandria in order to meet the requirements of the Department of Homeland Security. The Project would include a security zone of approximately 140,000 square feet within the Port of Alexandria. Inside the zone, carefully screened, trained and credentialed employees will ensure that all administrative and other functions are professionally executed, including non-intrusive x-ray scanning, radioactive threat detection, and implementation of International Organization for Standardization high security seals. Collected trade data will be shared as appropriate with participating United States and Egyptian authorities.

In addition to improving container security at the Port of Alexandria, the Project would utilize a web-based freight management system that would track and manage the data and documentation required for international trade logistics. This system would accept, organize, and share the documentation required for transporting cargo into and out of the Port of Alexandria, and subsequently at Egypt's land border crossings. These are the critical nodes (and choke points) for the flow of Egyptian imports, exports, and transshipments, and are the control points where the GOE can best manage trade and international cargo security.

The Project will involve MoT, MoFTI, Egyptian Customs, and the Port of Alexandria Authority. The objective of the feasibility study and pilot is to demonstrate the system to the Egyptian international trade community (including both government and private stakeholders), finalize the system's features and functions, and to validate the economics of the Project for implementation both in Egypt and throughout the MENA region.

Lebanon

The Port of Beirut Authority (PBA) is a public agency responsible for managing the port and developing its assets and facilities. Benefiting from new technologies and commercial opportunities such as containerization and growth in the cruise liner sector, PBA has implemented a major development plan to expand container facilities and extend the port eastwards to the north of the Beirut River, forming a new container terminal. The PBA therefore plans to develop the area of the port's "First Basin," which will be available for development when the container terminals currently occupying the area are relocated to newly constructed facilities. The development of the First Basin is intended to create new activities and sources of revenues for PBA and increase Lebanon's tourism industry.

The Definitional Mission will evaluate a proposal submitted by PBA for a feasibility study on the expansion of container facilities at the Port of Beirut and the construction of a new cruise liner terminal at the port's First Basin. The redevelopment of the Port of Beirut in the city's historic downtown district is a top priority of the Government of Lebanon (GOL) in order to reinvigorate the Lebanese economy, which relies heavily on the tourism sector. The cruise liner business in the Mediterranean region has grown rapidly over the past three years and Lebanon would like to take advantage of this growth, but the current lack of adequate facilities at the Port of Beirut has prevented the development of this key tourism industry in Lebanon. The GOL plans to remedy the situation through the construction of a cruise liner terminal at the port's First Basin.

The Port of Beirut is a key component of the GOL's plans to revitalize Lebanon's capital city and USTDA has assisted in these efforts by funding two previous activities focusing on the development of this critical waterfront area. In 1998 SOLIDERE, a private Lebanese company responsible for the redevelopment of land in downtown Beirut that was destroyed during the country's civil war, received a training grant from USTDA for awarding Radian International of Fairfield, NJ a \$86.5 million contract for land reclamation at the Normandy Landfill in Beirut (USTDA Activity Number 1998-10035B). In exchange for taking responsibility for all infrastructure requirements within the renewed city center, the GOL granted to SOLIDERE ownership of reclaimed land by the sea. To date, approximately seventy hectares of land has been reclaimed, which SOLIDERE plans to develop into a waterfront complex that would comprise high-rise structures (commercial, office, hotel and residential space), a convention center, public parks and a marina. Forty percent of the seventy hectares already reclaimed is the former Normandy Landfill and the other land consists of clean fill that has been recently constructed. Because development of this land posed various technical and economic challenges, in 2002 USTDA provided a grant to SOLIDERE to partially fund a feasibility study (FS) on the Reclaimed Land Multi-Use Project in Lebanon (USTDA Activity Number 2002-10057) to address these issues and determine the project's viability.

The U.S. Contractor for this FS, Paul C. Rizzo Associates, Inc., approached USTDA in September 2005 to request a Revision to the Terms of Reference (RTOR). The revisions would shift portions of the focus away from the land owned by SOLIDERE, to an adjacent parcel of land that is owned by PBA (the First Basin). Because PBA's plans to develop a cruise ship terminal at the First Basin would directly impact the scope of work of the FS, the Contractor requested the RTOR to account for this latest development. The RTOR would eliminate a commercial feasibility report on SOLIDERE's land in favor of a second technical report on PBA's site, but this is a significant departure from the original scope of work for this FS. Therefore, the Definitional Mission Contractor will determine the most appropriate way to revise the TOR for the Land Reclamation FS in light of PBA's plans to develop the port's First Basin. The Definitional Mission Contractor will evaluate these projects and their relationship to each other in order to provide USTDA with a thorough analysis, TOR, and budget for each activity recommended for USTDA funding consideration.

The Definitional Mission Contractor will also evaluate a project proposal submitted by the Beirut Container Terminal Consortium (BCTC, comprised of American, British and Lebanese partners). BCTC recently won an international tender competition to manage the new world-class container facility in the middle of this challenging region. These challenges not only extend north and south along the coastal port system, but deep into and out of the eastern interior. Already an International Ship and Port Facility Security Code (ISPS) compliant facility, BCTC would like to implement new systems for container and Ro-Ro cargo security covering inbound, outbound, plus the new and growing transshipment cargoes at the facility (the Project). BCTC has already distinguished itself as a model for the transfer of technology and knowledge. The Project is intended to continue this transfer into the critical area of high transport security via new systems, processes, training programs, software application, etc. On Project conclusion, BCTC will be fully capable and qualified to conduct direct trade with the United States. The Project will also directly improve BCTC's business prospects and develop Lebanon's trade while providing enhanced security to the nation, the region, Europe and the United States.

BCTC will take existing ISPS-compliant conditions, and add new layers of World Customs Organization/CBP prescribed improvements in a comprehensive Feasibility Study. All modes of container throughput handling at BCTC will be included, ie.; terminal gates, container freight station, feeder/transshipment containers and the straight load-discharge from mother vessels. Additionally, Ro-Ro traffic will also be integrated when it shortly moves into the BCTC facility.

The Project's primary goals are to:

- Raise the security level of BCTC from "ISPS Compliant", to a new higher level which is being today established by the Supply Chain Security Requirements of the World Customs Organization (WCO) and U.S. requirements as put forward by Customs-Border Protection along with new/pending congressional legislation.
- BCTC is to be capable of meeting all foreseen U.S. requirements to ship laden containers direct into the United States, meeting all GreenLane requirements. The container security operation will be transparent, with clear accountability in this important and significant node at the commencement of the supply chain.
- Develop and implement a functional integrated process to verify that incoming containers to BCTC are: a) screened by a risk management system, b) tested for Radioactive Material (gamma and neutron, dirty bombs and nuclear devices), and c) x-ray scanned to ensure container manifest verification.
- Utilize American expertise and products to the maximum extent within the activities of: vulnerability assessment/review, radiation screening & other security equipment, risk management design/implementation and secure trade data communications among stakeholders. This will continue the model now established by BCTC, to continually upgrade and improve its operation through technology transfer and leading innovation.

Annex I

IMPACT ON U.S. LABOR STATEMENT

The Foreign Operations, Export Financing and Related Programs Appropriations legislation restricts U.S. foreign assistance from being used to provide: (a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; (b) assistance for any project or activity that contributes to the violation of internationally recognized workers rights; and (c) direct assistance for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

Annex II

USTDA Nationality Requirements

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the pre-feasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. consultant; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:

1. Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. consultant. Prime contractors may utilize U.S. subcontractors, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2. Application

Accordingly, only a U.S. firm or U.S. consultant may submit proposals on USTDA-funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

3. Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. consultant" is (a) a U.S. citizen whose principal place of business is in the United States, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder) whose principal place of business is in the U.S.

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1. Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2. Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3. Definitions

"Source" means the country from which shipment is made.

"Origin" means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel by calling (703) 875-4357.

Annex III

Required Budget Format

DIRECT LABOR COSTS:

<u>TOR Task</u>	<u>TOR Task Name</u>	<u>Primary Contractor</u>	<u>(Employee)</u>
<u>Labor</u>			

$$\frac{\text{Total Person Days}}{\text{}} \times \frac{\text{Daily Rate}^*}{\text{}} =$$

TOTAL COST

I Task_____ (Position A) _____

_____ (Position B) _____

TOTALS: _____

<u>TOR Task</u>	<u>TOR Task Name</u>	<u>Non-Employee</u>
Labor		

$$\frac{\text{Total Person Days}}{\text{}} \times \frac{\text{Daily Rate}}{\text{}}^{**} =$$

TOTAL COST

I Task _____ (Position A) _____

(Position B) _____

TOTALS: _____

TOTAL DIRECT LABOR COSTS:

OTHER DIRECT COSTS:

<u>Purchased Services/Contracts***</u>	<u>Tasks</u>	<u>TOTAL</u>
COST		

<u>Travel</u> <u>COST</u>	<u>Trips</u>	<u>Trip Cost</u>	<u>TOTAL</u>
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International Air Travel _____

In Country Air Travel	_____	_____
Ground Transportation	_____	_____

	<u>Trip Days</u>	<u>Per Diem Rate</u>
<u>TOTAL COST</u>		
Per Diem	_____	_____
Other (local travel, etc.)	_____	_____
Interpreters	_____	_____

<u>Other</u>	<u>TOTAL</u>
<u>COST</u>	

Reproduction and Binding

Courier Services

Visa Services

Communication

TOTAL OTHER DIRECT COSTS:

TOTAL COSTS (DIRECT LABOR COSTS + OTHER DIRECT COSTS):

TOTAL U.S. COMPANY COST SHARE:

PROPOSED USTDA GRANT:

- * Primary Contractor (Employee) Labor Costs = Salary + Overhead + Benefits (no fee or profit).
- ** Non-Employee Labor Cost = Salary + Overhead + Benefits + Reasonable Fee or Profit.
- *** Purchased Services/ Contracts may include engineering drawings, lab work, surveys, translation, etc., which would not be included in Non-Employee Labor Cost above.

Guidance on USTDA Development Impact Measures

USTDA has a dual mission of promoting US exports and advancing economic development in the host country. USTDA would like to re-emphasize the Agency's developmental mandate. Toward this goal, the Agency is collecting more detailed information regarding the impact of its activities on the economic development of the host country.

What does USTDA mean by Development Impact?

USTDA's activities impact host country economic development in a variety of ways. There are four primary categories that are tracked and measured. However, the Agency recognizes that there are additional ways that activities can benefit the host country. Therefore, study contractors are encouraged to address any significant benefits.

Category	Explanation
Infrastructure	USTDA funds feasibility studies of and technical assistance for many critically important infrastructure projects such as power plants, roads, ports, airports, telecommunications systems, water and sewerage systems or environmental improvements or enhancements, as well as projects such as refineries and manufacturing plants. Implementation of these projects contributes to the improvement and security of the physical, financial and social infrastructure of the developing world.
Market-Oriented Reform	Many USTDA activities have as a primary objective the facilitation of market-oriented reforms in developing countries. These reforms include encouraging more transparent regulatory systems and institutions, privatization of state-owned economic entities, promotion of greater competition in non-competitive economic sectors, lowering of non-tariff barriers to trade, strengthening of intellectual property rights and modernizing international trade systems and regulations.
Human Capacity Building	When implemented, the Agency's projects often create new job opportunities, sustain employment for those in jeopardy of losing jobs and/or offer advanced training to upgrade the capability of the work force. USTDA considers a project to have Human Capacity Building impact if ten or more jobs are created and/or ten or more people receive significant training.
Technology Transfer and Productivity	The Agency's projects result in the introduction of advanced technologies (e.g. management information systems or

Improvement	process technologies) or licenses that improve processes and/or systems , resulting in greater economic productivity or more efficient use of resources.
Other	Other development benefits not captured by the above four categories - examples include enhanced government revenue, increased good governance or spin-off projects.

How Should the TOR of the FS/TA Address Development Impact?

The TOR should include a task that assesses the expected development benefits of the proposed project. For example:

The FS/TA Contractor shall report on the potential Development Impact of the project in the host country. In this section, the FS/TA Contractor should focus on what the economic development outcomes will be if the project is implemented according to the study recommendations. While specific focus should be paid to the immediate impact of the specific project that is being considered, the FS/TA contractor should include, where appropriate, any additional developmental benefits to the project, including spin-off and demonstration effects. The analysis of potential benefits of the feasibility study contractor should be as concrete and detailed as possible. The Development Impact factors are intended to provide the project's decision-makers and interested parties with a broader view of the project's potential effects on the host country. The FS/TA contractor will provide estimates of the project's potential benefits in the following areas:

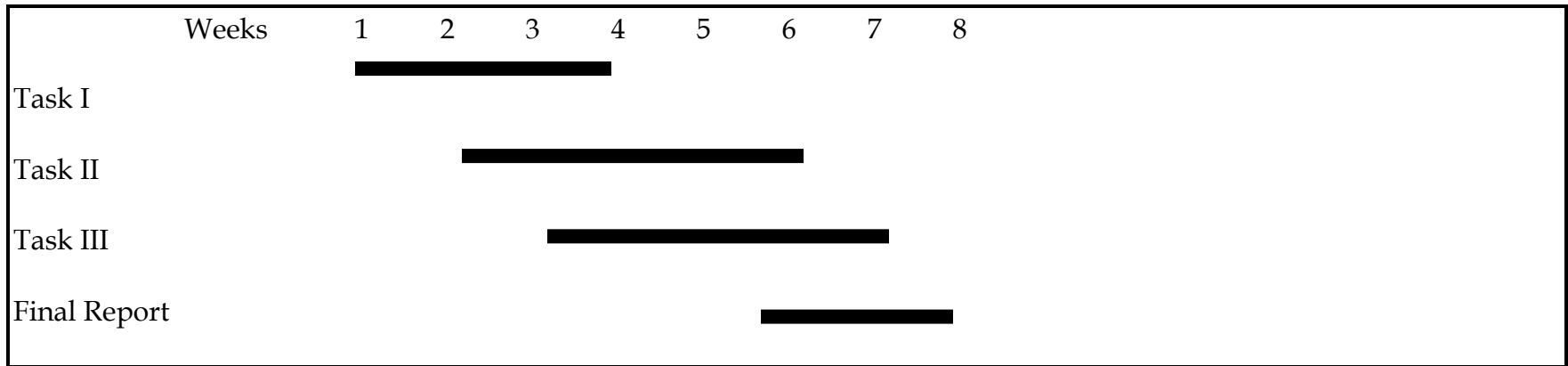
- **Infrastructure:** a statement on the infrastructure impact giving a brief synopsis. For example "This project would result in the construction of a power plant that would provide 500MW of power. This plant would serve x additional households in the region."
- **Market-Oriented Reform:** a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.
- **Human Capacity Building:** The Contractor should address the number and type of positions that would be needed to construct and operate the proposed project as well as the number of people who will receive training and a brief description of the training program.
- **Technology Transfer and Productivity Enhancement:** a description of any advanced technologies that will be implemented as a result of the project. A description of any efficiency that will be gained (e.g. "By upgrading the power plant's old boilers, efficiency will be increased from x% to y%").
- **Other:** any other developmental benefits to the project, including any spin-off or demonstration effects.

How Will This Affect the Final Report For the FS or TA?

- A section in the final report will be devoted to the projected host country Development Impact of the FS or TA recommendations if they are implemented. The section should focus primarily on the key issues mentioned above (infrastructure and industrialization, human capacity building, technology transfer and productivity, and market oriented reform). Other host country development impacts (e.g. improved financial revenue flows to host government etc.) can be mentioned where appropriate. The discussion should be as detailed and concrete as possible, and the contractor may provide estimates in ranges as appropriate.

Annex IV

Task Completion Schedule



Instructions

List each major task to be performed. The duration of each task is to be graphically represented. For example, in the illustrative schedule, Task 1 is to begin in Week 1 and end in Week 4. Preparation of the Final Report begins in Week 6 and is completed in Week 8.

Annex V

BUDGET NARRATIVE REQUIREMENTS

DIRECT COSTS

Direct Labor - Only salaries and wages for employees of the proposing organization should be identified here. Provide the job title; the names of the individuals, if known; the experience and training that describes the individual's capabilities for the project and supports the proposed daily rate; and an explanation of how the individual will support the Terms of Reference. For each, provide the mathematics for how the loaded rate was developed.

Examples:

Project Manager/Senior Engineer - This individual will provide necessary guidance and support to the project to ensure successful completion of the System Design and oversee the completion of the Terms of Reference. The proposed individual has 15 years experience managing telecommunications projects. It is estimated that 130 days will be required at a daily rate of \$1455. The rate was calculated with a base salary of \$776 a day and includes a fringe benefit rate of 25% and an overhead rate of 50%.

Junior Engineer - This individual will work with the Senior Engineer to develop the system design and provide documentation for the feasibility study. It is estimated that 75 days will be required at a daily rate of \$728 a day. The rate was calculated with a base salary of \$388 a day and includes a fringe benefit rate of 25% and an overhead rate of 50%.

Other Direct Labor - Consultants and other Non-Employee Labor should be identified here. Provide the job title; names of the individuals, if known; primary organization affiliation, if applicable; experience and training that describes the individual's capabilities for the project and supports the proposed daily rate; and a justification of how the individual will support the Terms of Reference. For each, provide the mathematics for how the loaded rate was developed.

Example:

Independent Consultant - This individual will develop questionnaires and surveys to gather data from local participants and officials for the marketing plan. The individual will have experience developing and administering questionnaires and knowledge of the host country. It is estimated that 30 days will be required at a daily rate of \$577 a day. The rate was calculated with a base salary of \$300 a day and includes a fringe benefit rate of 30% and an overhead rate of 45%. A small profit/fee may be added, if justified.

OTHER DIRECT COSTS

Purchased Services/Contracts -

For each purchased service or contract, include a clear description of the work to be performed as it relates to the Terms of Reference and a separate detailed budget for each. If the contractor or vendor is known, provide a basis for selection.

Examples:

Translation Services – A translation service provider will be hired to translate the final report. It is estimated that 1000 pages will be translated at \$1.00 a page. The budget estimate is based on actual costs to translate similar documents in the past.

ABC Marketing, Inc. – This contractor was selected because they have 10 years experience developing marketing plans with significant experience in the host country. ABC Marketing will develop the marketing plan utilizing the data collected from questionnaires and surveys. Attached is ABC Marketing's detailed budget of \$15,324.

Domestic and Foreign Travel

Include the destination and its relationship to the project and the Terms of Reference. Itemized costs must be included for each trip.

Examples:

The Project Manager/Senior Engineer and the Junior Engineer will travel to the host country for the Kick-Off Meeting and two subsequent trips for System Design Work. The Independent Consultant will travel to the host country for the Kick-Off Meeting and two subsequent trips for collection of data for the Marketing Plan.

One Kick-Off Meeting to be attended by the Project Manager/Senior Engineer, Junior Engineer, and Independent Consultant

Roundtrip Airfare (Economy Class): \$2,973/per Trip X 3 People = \$8,919

Per Diem: \$182 X 10 days X 3 People = \$5,460

Local Transportation: \$250/trip X 9 Trips = \$2,250

Transportation to/from Airport: \$100/Trip X 4 Trips = \$200

Two System Design Trips (10 days each) for the Project Manager/Senior Engineer and Junior Engineer

Roundtrip Airfare (Economy Class): \$2,973 X 2 Trips X 2 People = \$11,892

Per Diem: \$182 X 2 Trips X 10 days X 2 people = \$7,280

Local Transportation: \$250/trip X 18 Trips = \$4,500

Transportation to/from Airport: \$100/trip X 4 trips = \$200

Two Data Gathering Trips for the Marketing Plan (10 days each) for the Project Manager/Senior Engineer and Independent Consultant

Roundtrip Airfare (Economy Class): \$2,973 X 2 Trips X 2 People = \$11,892

Per Diem: \$182 X 2 Trips X 10 days X 2 people = \$7,280

Local Transportation: \$250/trip X 18 Trips = \$4,500

Transportation to/from Airport: \$100/trip X 2 trips = \$200

Other Expenses

Other expenses may include such items as reproduction, publishing costs, and telephone calls. Provide a detailed explanation for each as to how it relates to the Terms of Reference and include calculations on how the numbers have been derived.

Example:

Reproduction of the Final Report – Eight copies of the final report will be reproduced and bound in accordance with the final report specifications provided by USTDA.

Reproduction: 1000 Pages X \$.10/per Copy X 8 Copies = \$800

Binding and Final Report Specifications: \$20/per Copy X 8 Copies = \$160